

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 512 - SB 1362**

April 3, 2019

**SUMMARY OF BILL:** Expands Tennessee Reconnect Grant (TRG) eligibility rules to include authorized incarcerated persons. Deletes prohibition for incarcerated persons to be eligible for state higher education financial assistance.

**ESTIMATED FISCAL IMPACT:**

**Increases State Expenditure –**

**\$3,000/One-Time/General Fund**

**\$650,200/Recurring/General Fund**

**\$11,916,400/Recurring/Lottery for Education Account**

**Other Fiscal Impact – Recurring funding of \$11,916,400 will not be available for transfer from the Lottery for Education Account to the Tennessee Promise Special Reserve Account.**

**Assumptions:**

- Pursuant to Tennessee Code Ann. § 41-21-509, under the *Prisoner Rehabilitation Act of 1970*, the Division of Rehabilitation Services is authorized to permit first and second term inmates hours of leave necessary to participate in educational programs and requires the Department of Education to develop a plan with suitable courses and to encourage inmates to enroll in such classes.
- Pursuant to Tenn. Code Ann. § 41-21-238, the plan is required to include the possible use of existing community colleges and vocational schools for authorized inmates.
- Pursuant to Tenn. Code Ann. § 49-04-904(6), a student incarcerated is ineligible for the TRG. This legislation authorizes incarcerated persons to become eligible to receive the TRG.
- Based on inmate data provided by the Department of Corrections (TDOC), expanding eligibility to incarcerated persons will result in 10 percent of the 22,000 individuals incarcerated in state prison facilities, or 2,200 (22,000 x 10%) participating in the Tennessee Reconnect Grant (TRG) each year.

- Based on information provided by TSAC, it is estimated that the 2,200 incarcerated individuals participating in the TRG will each take approximately 12 credit hours per year.
- Annual tuition for incarcerated individuals taking 12 credit hours per year is estimated to be \$4,034.
- Pursuant to Tennessee Code Ann. § 49-4-901, the TRG grant is to be distributed from the Lottery for Education Account (LFEA). Therefore, the recurring increase in state expenditures from the LFEA is estimated to be \$8,874,800 (2,200 students x \$4,034).
- TDOC will require one full-time Administrative Services Assistant 2 position at the central office in order to track and record student participation and student results.
- There will be a one-time increase in state expenditures from the General Fund estimated to be \$3,000 related to computers and supplies for the new positions.
- The recurring increase in state expenditures from the General Fund for this position is estimated to \$42,349 (\$28,716 salary + \$11,333 benefits + \$2,300 operational expenses).
- Based on inmate data provided by TSAC, expanding eligibility to incarcerated persons will result in 5 percent of the 30,157 individuals incarcerated in local jails or 1,508 (30,157 x 5%) participating in the TRG each year.
- It is estimated that the 1,508 incarcerated individuals participating in the TRG will each take approximately 6 credit hours per year at a tuition rate of \$2,017 per year.
- The recurring increase in state expenditures from the LFEA is estimated to be \$3,041,636 (1,508 students x \$2,017).
- The total recurring increase in state expenditures from the LFEA is estimated to be \$11,916,436 (\$3,041,636 + \$8,874,800).
- Pursuant to Tennessee Code Ann. § 49-4-944(c)(7), students are required to participate in a college success program through the Tennessee reconnect community initiative as created by the Tennessee Higher Education Commission (THEC).
- Based on information provided by the Tennessee Student Assistants Corporation (TSAC), THEC has established a “hands-on” college success program to assist those with higher needs in navigating the college application and enrollment process.
- One Reconnect Navigator position is needed per 400 students. An additional nine Navigator positions will be required to carry out the program for the newly eligible 3,708 students. In addition, one Program Manager position will be required.
- The recurring increase in state expenditures from the General Fund for these THEC positions is estimated to be \$607,850 {[( \$45,000 salary + \$14,036 benefits) x 9 positions] + [(\$60,000 salary + \$16,526 benefits) x 1 position]}.
- The total recurring increase in state expenditures from the General Fund for the new THEC and TDOC positions is estimated to be \$650,199 (\$607,850 THEC position + \$42,349 TDOC position).
- Based on information provided by the Tennessee Sheriffs’ Association there would be no significant impact to the local jails.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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